



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

JUL 15 1999

UNDER SECRETARY

Honorable John W. Warner  
Chairman  
Committee on the Armed Services  
United States Senate  
Washington, DC 20515

Dear Chairman:

This letter expresses the views of the Department of the Treasury on S. 1059, the National Defense Authorization Act for Fiscal Year 2000, as passed by the Senate and currently before the Conference Committee. The Department of the Treasury has serious concerns about Sections 1049 and 1050. If enacted, these provisions would impact the current system of domestic and international spectrum management for Federal, State and local governments detrimentally.

Section 1049 abrogates the current framework under which the United States manages domestic and international spectrum use by establishing rigid priority for Department of Defense (DoD) spectrum use over all other uses by other Federal, State and local governments and the private sector. As currently worded, this Section would eliminate the possibility of priority law enforcement use of allocated spectrum even in cases of emergencies where safety of life and/or property are concerned. Such a situation would catapult communications-dependent law enforcement's use of radio spectrum into a condition that compromises its core ability to ensure basic public safety. This situation could remove any flexibility for law enforcement communications to be responsive to increasingly sophisticated adversaries.

For example, this bill could have a negative impact on the U.S. Secret Service's ability to provide protection to the President and Vice President as well as visiting dignitaries. Treasury law enforcement bureaus rely heavily on private land mobile radios as well as commercially provided services such as mobile satellites. In most cases mobile satellite services are used where no other communication link is available to coordinate critical law enforcement activities. It is essential that law enforcement and public safety activities have unimpeded access to the communication systems at all times. The flexibility that is afforded all users, including DoD with the current process is essential to provide the required communications interoperability capabilities to provide effective security at major special events. The law enforcement and protective missions within the Department of the Treasury cannot be successful without the unimpeded communications access which Section 1049 threatens.

Additionally, as a co-sponsor (with the Department of Justice) of the Public Safety Wireless Network which is chartered to develop an implementation plan to provide nationwide interoperability among all entities of the public safety community, we are deeply concerned with this legislation and the impact it will have on the community. Treasury's opposition to this legislation is also based on its negative impact on the non-DoD Federal user community and the State and local government users with whom we must maintain cohesive "partnerships" in the increasingly demanding law enforcement environment.

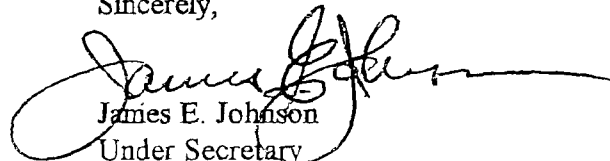
Section 1050 of the Senate-passed bill would prohibit the Federal government from providing licenses, permits or funding to entities broadcasting without specific authorization from outside the United States into the country on frequencies reserved to, or used by, the Department of Defense. These matters are addressed more appropriately by the Federal government in accordance with the radio regulations established by the International Telecommunications Union (ITU). Section 1050 would be inconsistent with United States Government (USG) obligations under the ITU, and could set a precedent that other countries could follow to the detriment of USG interests abroad.

Major portions of State and local government and private sector licenses are issued in portions of the spectrum that are shared by the Federal Government, as well as users in the private sector. Federal and State and local governments' investments have been made on the basis of spectrum priorities reached through carefully negotiated agreements entered into by Federal agencies through the National Telecommunications and Information Administration (NTIA), and for State and local governments through the Federal Communications Commission, and internationally through the USG participation in the ITU over the past 75 years.

Spectrum management policy is becoming increasingly complex as new wireless communication technologies are introduced which create additional demands on the spectrum. While we share the concerns about meeting critical spectrum requirements to secure the national defense, we must not lose sight of our equally important task to meet the critical demands of our civil agencies in their fight against crime. We believe these needs can be addressed through the current spectrum management process and must continue to be evaluated in the context of the national and public interest as a whole.

Thank you for the opportunity to present our views. Do not hesitate to call upon us if we may be of additional assistance. The Office of Management and Budget has advised us that from the perspective of the Administration's program, there is no objection to submission of this letter.

Sincerely,



James E. Johnson  
Under Secretary  
(Enforcement)

Senator Carl Levin  
Ranking Member